



Billing Code 6717-01-P

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Docket No. RM93-11-000]

Revisions to Oil Pipeline Regulations Pursuant to the Energy Policy Act of 1992, Notice of Annual Change in the Producer Price Index for Finished Goods

The Commission's regulations include a methodology for oil pipelines to change their rates through use of an index system that establishes ceiling levels for such rates. The Commission bases the index system, found at 18 CFR 342.3, on the annual change in the Producer Price Index for Finished Goods (PPI-FG), plus two point six five percent ($\text{PPI-FG} + 2.65$). The Commission determined in an "Order Establishing Index For Oil Price Change Ceiling Levels" issued December 16, 2010, that $\text{PPI-FG} + 2.65$ is the appropriate oil pricing index factor for pipelines to use for the five-year period commencing July 1, 2011.¹

The regulations provide that the Commission will publish annually, an index figure reflecting the final change in the PPI-FG, after the Bureau of Labor Statistics

¹133 FERC ¶ 61,228 at P 1 (2010).

publishes the final PPI-FG in May of each calendar year. The annual average PPI-FG index figures were 194.2 for 2012 and 196.6 for 2013.² Thus, the percent change (expressed as a decimal) in the annual average PPI-FG from 2012 to 2013, plus 2.65 percent, is positive 0.038858.³ Oil pipelines must multiply their July 1, 2013, through June 30, 2014, index ceiling levels by positive 1.038858⁴ to compute their index ceiling levels for July 1, 2014, through June 30, 2015, in accordance with 18 CFR 342.3(d). For guidance in calculating the ceiling levels for each 12 month period beginning January 1, 1995,⁵ see Explorer Pipeline Company, 71 FERC ¶ 61,416 at n.6 (1995).

In addition to publishing the full text of this Notice in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or print this Notice via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's

² Bureau of Labor Statistics (BLS) publishes the final figure in mid-May of each year. This figure is publicly available from the Division of Industrial Prices and Price Indexes of the BLS, at 202-691-7705, and in print in August in Table 1 of the annual data supplement to the BLS publication *Producer Price Indexes* via the Internet at <http://www.bls.gov/ppi/home.htm>. To obtain the BLS data, scroll down to "PPI Databases" and click on "Top Picks" of the Commodity Data including "headline" FD-ID indexes (Producer Price Index – PPI). At the next screen, under the heading "Producer Price Index Commodity Data," select the box, "Finished goods - WPUSOP3000," then scroll to the bottom of this screen and click on Retrieve data.

³ $[196.6 - 194.2] / 194.2 = 0.012358 + 0.0265 = 0.038858$

⁴ $1 + 0.038858 = 1.038858$

⁵For a listing of all prior multipliers issued by the Commission, see the Commission's website, <http://www.ferc.gov/industries/oil/gen-info/pipeline-index.asp>.

Public Reference Room during normal business hours (8:30 am to 5:00 pm Eastern time) at 888 First Street, NE, Room 2A, Washington, DC 20426. The full text of this Notice is available on FERC's Home Page at the eLibrary link. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field and follow other directions on the search page.

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Dated: May 14, 2014

Kimberly D. Bose,
Secretary.

[FR Doc. 2014-11717 Filed 05/20/2014 at 8:45 am; Publication

Date: 05/21/2014]